

Fiscal Year (FY) 2003/FY 2005 Biennial Budget Estimates

Washington Headquarters Services (WHS)



February 2003

WASHINGTON HEADQUARTERS SERVICES
Operations and Maintenance, Defense-Wide
Fiscal Year (FY) 2004/FY 2005 Biennial Budget Estimates
Appropriation Highlights
(Dollars in Millions)

<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>

Appropriation Summary

Operation and Maintenance, Defensewide

325	2.2	65.2	392.4	-0.3	13.4	405.5	26.7	-52.4	379.8
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Description of Operations Financed:

<u>FY 2002</u>	<u>Price</u>	<u>Program</u>	<u>FY 2003</u>	<u>Price</u>	<u>Program</u>	<u>FY 2004</u>	<u>Price</u>	<u>Program</u>	<u>FY 2005</u>
<u>Actual</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>	<u>Change</u>	<u>Estimate</u>

Budget Activity 4: Administration and Servicewide Activities

325	2.2	65.2	392.4	-0.3	13.4	405.5	26.7	-52.4	379.8
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Narrative Explanation of Changes:

FY 2003 to FY 2004: The Compensation and Benefits program increases by \$2.1 million for the standard price adjustment and to support the one additional paid day in the fiscal year. The Support Services, Materials and Equipment Program increases by \$15.1 million. That includes the restoration of a \$7.5 million (one-time) offset for essential security costs, \$2.0 million for a Presidential Communications Support Project, and \$6.2 million for building costs associated with the new Air Force Memorial Foundation site, and reductions of \$0.7 for office equipment.

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Narrative Explanation of Changes (continued):

The Information Technology (IT) Program adds \$10.5 million for the standard price increase, the Secretary of Defense's organizational realignment and business process improvement initiatives (\$3.5 million); increased OSD and WHS network security enhancements (\$2.5 million); and the implementation and operation of OSD-wide common business applications (\$2.4 million). The Pentagon Renovation Furniture Program is reduced \$6.1 million based on the Project Manager's normal purchase plan, as it relates to completed portions of the project. The Defense Travel System reduces costs by \$20.3 million, reflecting saving through the restructuring of the prime contract, and the realignment of requirements from Operation and Maintenance (O&M) to Research and Development (R&D). The decrease of \$28.0 million reflects completion of a Classified (DERF Transfer) Program in FY 2003. The Pentagon Reservation Maintenance Revolving Fund (PRMRF) Rent increases by \$16.5 million to support the out-of-cycle standup costs of the Pentagon Force Protection Agency (PFPA). The Pentagon Renovation Project adds \$21.4 million to support the rephased acceleration of the program.

FY 2004 to FY 2005: The Compensation and Benefits Program increase of \$1.8 million reflects the standard price adjustment, minus the savings due to the one less paid day in the fiscal year. Information Technology is reduced by \$5.2 million , which includes completion of one-time initiatives (\$3.9 million), and a \$2.6 million reduction of OSD contracted services through consolidation of Components' technical services, and other minor adjustments.

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Narrative Explanation of Changes (continued):

The Contracts and Other Services Program is reduced by \$28.2 million, including a \$20.2 million saving with the completion of the Department's E.Gov payments to the GSA, a \$3.5 million savings due to the completion of a Congressional Project to protect Nuclear Information, a \$1.2 million saving due to reduced contractor support for the Federal Voting Assistance Office, and numerous other adjustments supporting priority offsets. The Defense Travel System decreases by \$12.0 million based on the reduced development and deployment costs, as the program now approaches its goal of worldwide fielding. The Pentagon Reservation Maintenance Revolving Fund (PRMRF) Rent is increased by \$33.5 million to support the out-of-cycle standup costs of the Pentagon Force Protection Agency (PFPA). The Pentagon Renovation Project decreases by \$16.0 million consistent with the rephased schedule of the program.

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Summary of Increases and Decreases
(Dollars in Thousands)

		<u>BA 4</u>
FY 2003 President's Budget		332,821
1. Congressional Adjustments (Distributed)		
Program Growth	18,000	
Total Congressional Adjustments (Distributed)		18,000
2. Congressional Adjustments (Undistributed)		
FECA Surcharge Reduction	-67	
Unobligated balances	-588	
Civil Service Retirement System (CSRS) and Federal Employee Health Benefit (FEHB) Accruals	-4,399	
Total Congressional Adjustments (Undistributed)		-5,054
3. Congressional Adjustments (General Provisions)		
Section 8100--Prorate Management Efficiency	-4,658	
Section 8103--Government Purchase Card	-225	
Section 8109--Prorate Reduce Cost Growth of Information Technology	-456	
Section 8133--Reduce Growth of Travel Costs	-54	
Section 8135--Prorate - Revised Economic Assumptions	-1,940	
Total Congressional Adjustments (General Provisions)		-7,333
4. Congressional Adjustments (Earmarks)		
Section 8044--Prorate Indian Lands Environmental Impact	-308	
Total Congressional Adjustments (Earmarks)		-308
FY 2003 Appropriated Amount		338,126
5. Price Change		-3,377

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6. Functional Transfers-In		
(1) Operating Support costs for Training, Information Technology and Central Services for the new OSD Office of Force Transformation (from OSD)	993	
(2) Four FTE are transferred from OSD to provide civilian Human Resource Services for the civilian personnel assigned to the Counterintelligence Field Activity (CIFA)	416	
(3) Prior year DERF	6,300	
Total Transfers-In		7,709
6. Program Increase		
(1) The Defense Travel System increased to support program slippage, through contract realignment and additional equipment purchases	6,639	
(2) Information Technology increased for the support and maintenance of the OSD Primary Alternate Site for Continuity of Operations (COOP)	5,400	
(3) The Information Technology Program increased to support expansion, maintenance and operation of the classified network; additional intrusion detection requirements; increased monitoring and maintenance of firewalls; support costs for a new system to support the counterintelligence, force protection and counter-terrorism missions of the Department	7,700	
(4) The Information Technology (IT) Program increased for the development and maintenance of individual Component COOP IT at alternate Pentagon sites	6,400	

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(5) Contracts and Other Services increased to support the additional costs included in the Department's Government-wide pro-rata share for the E.Gov costs paid, which are payable to the GSA; increase civilian personnel security investigations; and an Executive Order Declassification Project I	22,710	
(6) GSA Rent payments increased to support the escalating operating and security costs associated with the leased properties within the National Capital Region	2,826	
Total Program Increase		51,675
7. Program Decrease		
(1) The Information Technology Program is reduced based on savings resulting from initiatives to downsize and combine technical service support	-697	
(2) This program decrease funds a portion of emergent fact-of-life requirements for: Government-wide E-Gov initiatives, growing adjudication backlog of security clearances, the Defense Travel System, the DoD Rewards Program and other emergent requirements	-1,037	
Total Program Decrease		-1,734
Revised FY 2003 Current Estimate		392,399
8. Functional Transfers-In		
Information Technology Support for the OSD Office of Net Assessment is transferred from the National Defense University (O&M, Army funded)		126
9. Functional Transfers-Out: None		

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10. Price Change -335

11. Program Increase

- | | |
|---|-------|
| (1) Compensation and Benefits increases to support the additional workday in FY 2004. | 215 |
| (2) Compensation and Benefits increases to support realigned Special Employment programs, and high-grade/in-grade adjustments associated with the staffs of the Commissions, Boards, Task Forces and Panels | 596 |
| (3) Information Technology is increased to fund the costs associated with the implementation of initiatives to comply with the DoD Chief Information Officer's Net-Centric operations strategy to conform to the DoD network architecture | 500 |
| (4) Information Technology is increased for network security enhancements, to provide an increased secure information management environment to protect the Defense Information Infrastructure. This includes defending against emergence of cyber warfare that has significantly increased information assurance requirements | 2,505 |
| (5) Information Technology is increased to support the implementation of OSD-wide common business applications. This includes collaborative tools and other coordination and decision-making capabilities that emerge from common OSD business process improvements. The applications will assure OSD-wide information technology architecture compliance and system interoperability | 2,445 |
| (6) Information Technology is increased for requirements of the Washington Headquarters Services consolidated network for maintenance routers, switches, firewalls, servers and network software maintenance | 153 |

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(7)	Information Technology is increased for network and server maintenance costs for equipment required due to the expiration of warranties	47
(8)	Information Technology is increased for projects that support the Secretary of Defense's organizational realignment and business process improvement initiatives Projects include: a. Standard OSD Enterprise Architecture Migration Plan b. OSD Principal Staff Assistant (PSA) Architectures c. Information Technology Performance Metrics d. OSD Personnel Tracking System (PTS)	3,500
(9)	The Support Services, Materials and Equipment Program is increased to update White House communications equipment to satisfy Presidential requirements through the use of updated technology	982
(10)	The Support Services, Materials and Equipment Program is increased to finance the support requirements associated with the growth of the Pentagon Force Protection Agency (PFPA), which is adding 553 civilian FTE and 39 military End Strength (positions) to meet the new security requirements and standards of the Pentagon Building and Reservation	418
(11)	The Support Services, Materials and Equipment Program is increased to support the restoration of existing Pentagon space (vacated by the Pentagon Athletic Club (PAC) to house the newly formed Pentagon Force Protection Agency (PFPA) Staff	1,700
(12)	The Support Services, Materials and Equipment Program is increased to support building costs associated with the Air Force Memorial Foundation Site	6,227

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(13) The Support Services, Materials and Equipment Program is increased to meet above standard protective services for the Office of the Secretary of Defense, as provided by the Pentagon Force Protection Agency (PFPA). This funding was realigned to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) in FY 2003, but remains in the PRMRF customer programs in FY 2004 (and thereafter) for these requirements	7,672
(14) The Pentagon Renovation Project is increased to support the annual plan, which varies significantly from year-to-year, and is charged on a pro-rata basis to all the tenants of the Pentagon Building	24,821
(15) The Pentagon Reservation Maintenance Revolving Fund (PRMRF) Rent is increased to include the funding of the newly formed Pentagon Force Protection Agency	18,149
Total Program Increase	69,930
12. Program Decrease	
(1) The Pentagon Renovation Furniture Program is decreased to support the annual plan, which varies significantly from year-to-year, and is charged on a pro-rata basis to all the tenants of the Pentagon Building	-5,089
(2) Payments to the Defense Security Service are decreased, based on the workload reduction which is the result of the elimination of a large portion of the previously backlogged Civilian Personnel Periodic Reinvestigations	-1,209

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(3) The Defense Travel System is decreased as a result of the prime contract restructure, and the realignment of requirements from the Operation and Maintenance, Defense-wide appropriation, to the Research, Development Test and Evaluation, Defense-wide appropriation	-21,189	
(4) Saving generated due to the completion of a classified (DERF Transfer) Program (FY 2003 Congressional add)	-28,420	
(5) The GSA Rent Program is decreased based on a projected reduction of requirements for the DoD tenants, due the completion of portions of the Pentagon Renovation Project	-713	
Total Program Decrease		-56,620
FY 2004 Budget Request		405,500
13. Price Change		26,663
14. Program Changes		-52,409
FY 2005 Budget Request		379,754

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MANPOWER CHANGES IN FULL-TIME EQUIVALENT
FY 2002 through FY 2005

	<u>US Direct Hire</u>	<u>Total</u>
1. FY 2002 FTEs	590	590
Underexecution of Special Employment Programs corrected	6	6
Underexecution of Core Operational Programs corrected	14	14
Positions Privatized	2	2
Functional Transfers		
from OSD (for Human Resource Support of CIFA Staff)	4	4
New Authorized Positions		0
Consolidated Adjudication Facility (CAF) Backlog	8	8
Intern Program Increased	1	1
Human Resource Support for Pentagon Force Protection Agency	4	4
2. FY 2003 FTEs	629	629
Functional Transfers		
to Pentagon Force Protection Agency (PFPA)	-10	-10
3. FY 2004 FTEs	619	619
(No Changes)		
4. FY 2005 FTEs	619	619

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MANPOWER CHANGES IN FULL-TIME EQUIVALENT
FY 2002 through FY 2005

	<u>US Direct Hire</u>	<u>Total</u>
5. SUMMARY		
FY 2002		
O&M Total	590	590
Direct Funded	590	590
Reimbursable Funded	0	0
FY 2003		
O&M Total	629	629
Direct Funded	629	629
Reimbursable Funded	0	0
FY 2004		
O&M Total	619	619
Direct Funded	619	619
Reimbursable Funded	0	0
FY 2005		
O&M Total	619	619
Direct Funded	619	619
Reimbursable Funded	0	0

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PERSONNEL SUMMARY

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	Change FY 2003/ FY 2004	Change FY 2004/ FY 2005
<u>Active Military End Strength (Total)</u>						
Officer	51	68	68	68	0	0
Enlisted	88	127	127	127	0	0
<u>Civilian End Strength (Total)</u>						
US Direct Hire	594	633	623	623	-10	0
<u>Active Military Average Strength (A/S) (Total)</u>						
Officer	51	68	68	68	0	0
Enlisted	88	127	127	127	0	0
<u>Civilian FTEs (Total)</u>						
US Direct Hire	590	629	619	619	-10	0

Washington Headquarters Services
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Operation and Maintenance, Defense-Wide
Budget Activity 4: Administration and Servicewide Activities

I. Description of Operations Financed:

a. The Washington Headquarters Services (WHS) was established under Title 10, United States Code, on October 1, 1977 as a Department of Defense (DoD) Field Activity to provide operational support to specified DoD activities in the National Capital Region. In general, the Core Operational Support Activities of the organization represents a consolidation of functions which provides a variety of administrative and operational support and services to designated DoD activities which are not authorized their own support capability. WHS enables support functions to be centralized for maximum efficiency and control, by assuming the responsibility of planning, managing and administering the following functions:

(1) Administrative support of the Office of the Secretary of Defense (OSD), certain DoD Field Activities, and other specified Defense activities, including budgeting and accounting, civilian and military personnel management, office services, personnel and information security, correspondence and cables management, directives and records management, travel, and other such administrative services.

(2) Information Technology (IT) resources in support of the decision and policy-making processes of the seventeen organizational components of the Office of the Secretary of Defense and the Washington Headquarters Services. Develops information management strategies and programs; acquires services and systems to support the programs; and, manages those services and systems over their life cycles.

(3) Real Property management services for the Pentagon Reservation and other DoD-occupied, General Services Administration (GSA)-controlled administrative space in the NCR and DoD common support facilities, including office space, law enforcement, environmental safety and health, maintenance, repair and alteration of assigned buildings, custodial services, physical security, and building administration.

(4) Common office services, including printing, graphics, contracting, procurement of supplies and equipment, communications, concessions, and other support services.

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I. Description of Operations Financed (Con't):

(5) Administration of the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) on behalf of the Secretary of Defense, the Presidential Designee responsible for the Federal functions of the Act.

(6) Administration and oversight for the implementation of the Defense Privacy Program within the Department of Defense, which includes providing management, guidance, and assistance to DoD Components to avoid conflicts of policy or procedures.

(7) Administration of the Freedom of Information Act Program through timely compliance with its policies, consistent with the Department's responsibility to ensure national security. Conducts security review consistent with Executive Order 12958, and current Department directives, of all material prepared by military and civilian employees, contractors, and sources outside the Department of Defense submitted for such reviews.

b. WHS also programs and funds Defense Programs, including:

(1) The Project Management Office (PMO) for the Defense Travel System, which was established to provide procurement management and system fielding support of DTS worldwide. The Defense Travel System is the standard DoD business travel services system that combines reengineered travel policies and procedures with the best industry practices and technology. The Defense Travel System provides full travel management support from arranging for travel and approving travel authorizations, to processing reimbursement vouchers following travel and maintaining appropriate government records. The Defense Travel System is a fully electronic process that leverages technology to speed the coordination of travel, incorporates a digital signature capability, and embraces standard industry Electronic Commerce procedures.

(2) The DoD Public Key Infrastructure (PKI) effort, which is a critical element in achieving a security Information Assurance (IA) posture for the Defense Information Infrastructure (DII).

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I. Description of Operations Financed (Con't):

(3) Other Defense support includes the DoD Commissions, Panels, Boards and Task Forces Program, the Federal Executive Boards Program, and a classified Defense Emergency Response Program.

c. The Washington Headquarters Services (WHS) Core Operational Support Activities finances the following functions/missions:

(1) Program, budget and accounting: Formulates, presents, and executes the Program Objective Memoranda, President's Budgets, and Future Years Defense Programs for the OSD, WHS, and certain DoD Field Activities. It also administers the Official Representation Program for the OSD, including the development of policies for use of these funds; for DoD officials, military and civilian employees, consultants and experts, and others authorized to travel on official business at Government expense under the auspices of OSD. Provides information system technology and management; installation level accounting support for appropriations allocated or allotted to OSD and WHS; and develops, establishes and administers control procedures for apportionment and allocations at the intermediate level for OSD. WHS also develops, implements and assists the accounting and reporting systems for the DoD Trust Funds and appropriation level reporting for OSD; manages the Treasury Index 97 (Defense-Wide) debt collection and cash management programs, and the OSD Government Travel Card Program.

(2) Correspondence and Communications: Provides administrative support to the immediate offices of the Secretary and Deputy Secretary of Defense and their principal assistants. Ensures an orderly flow of time-sensitive correspondence, cable traffic, and intelligence items for consideration, moving between the President, members of his cabinet and Congress, and senior officials throughout the government and numerous foreign countries. Manages the DoD Directives System; implements records management for all OSD functional elements, systematic declassification, and historical research programs.

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I. Description of Operations Financed (Con't):

(3) Personnel and personnel security: Provides personnel, security, training and equal employment opportunity (EEO) services for military and civilian personnel assigned to the Office of the Secretary of Defense and a variety of DoD Field Activities, Defense Agencies, Military Departments, the White House, the National Security Council and the Congress. This includes a National Capital Region Human Resource Service Center which provides consolidated personnel services for participating DoD agencies, to include administration for various automation initiatives, and numerous services to on-site personnel offices.

(4) Facilities and operational services: Provides administrative and operational support to specified DoD activities in the National Capital Region (NCR), including space management, law enforcement, maintenance, repair and alteration of assigned buildings, custodial, physical security, building administration, graphics services, acquisition, property management, safety, environmental management, and other support services. Also directs, coordinates and administers the Pentagon Renovation Program for the development of strategic and facility plans to meet the long-range administrative space needs for the DoD in the NCR and a capital improvement program for the Pentagon Reservation. WHS also provides for the Management of DoD-occupied, General Services Administration-controlled administrative space in the NCR and DoD common support facilities includes office space, concessions, layout design and other related building administrative functions.

(5) Provides information technology resources for over 10,000 IT seats, including networked personal computers, stand alone personal computers and laptops in WHS and seventeen organizational components of OSD. Special emphasis is placed on continuing to develop, implement, and control enterprise-wide common applications and systems resulting in efficient, cost-effective and interoperable IT solutions for the OSD and WHS organizations. Also, special emphasis is placed on establishing and managing an effective and accredited security architecture that protects the IT from the full spectrum of cyber threats. The IT program funds the acquisition of hardware, software and operational services, such as, help desks, network management, system administration services, software licenses, hardware and software maintenance, and facilities maintenance.

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I. Description of Operations Financed (Con't):

(6) Federal voting assistance: Administers the Uniformed and Overseas Citizen Absentee Voting Act, 42 USC 1973. The Act covers the voting rights of all members of the Uniformed Services, merchant marine, their family members, and all other U.S. citizens outside the United States. Management of the program requires coordination with executive branch departments and agencies, the Congress, state and local governments, political parties, U.S. corporations, and both national and international organizations. Conducts national and international Get Out the Vote campaigns and manages the voting assistance program of the Department of Defense, including Guard and Reserve Components. Administers those provisions of the National Voter Registration Act designating armed forces recruiting offices to be state registration agencies for all purposes of the Act.

(7) Freedom of information and security review: Directs and administers the Freedom of Information Act (FOIA) Program to ensure compliance with policies and procedures that govern the administration of the program. Also serves as the proponent for the Department's regulation and other discretionary instructions and guidance to ensure timely and reasonable uniform implementation of the FOIA. Internally administers the FOIA Program for the Office of the Secretary of Defense, the Chairman of the Joint Chiefs of Staff and the Combatant Commands. In so doing, promotes public trust by making the maximum amount of information available to the public, consistent with the Department's responsibility to ensure national security.

(8) Individual privacy: Serves as the focal point for the coordination of Privacy Act matters with the Defense Privacy Board; the Defense Privacy Board Legal Committee; the Office of Management and Budget; the General Accounting Office; the Office of the Federal Register, in conjunction with the OSD Federal Register Liaison Officer; and other Federal agencies as required. Supervises the implementation of the right to Financial Privacy Act and any other legislation that impacts directly on individual privacy. Coordinates on all personnel policies that may affect the Department's Privacy Program, and ensures that training programs are established for those whose duties involve design, development, operation, and maintenance of any system of records.

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I. Description of Operations Financed (Con't):

(9) Miscellaneous activities: Provides such services as mess stewards and receptionists in support of the Secretary and Deputy Secretary of Defense and their senior staff.

d. The Defense-wide Programs included in the Washington Headquarters Services account consist of the fiscal and manpower resources assigned to the following recurring and non-recurring functions:

(1) The Defense Travel System and Project Management Office (PMO) operations, system deployment, system training, records management and operations maintenance.

(2) The Pentagon Renovation Project, which provides for payments to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) to fund the multi-year construction project, based on the combined Office of the Secretary of Defense/Washington Headquarters Services total occupancy.

(3) The DoD Public Key Infrastructure (PKI) initiative, which provides funding for the implementation of DoD PKI policy.

(4) Other Defense programs provide non-recurring funding to various activities assigned by the OSD as Executive Agents for the management of key Defense, Government-wide and international programs. Recurring resources are also provided to support the short-term DoD Commissions and Panels, and the Department's reimbursement for the administrative and personnel costs of the regional Federal Executive Boards.

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Budget Activity 4: Administration and Servicewide Activities

II. Financial Summary (Dollars in Thousands):

A. Activity Groups:

	FY 2002 <u>Actuals</u>	FY 2003		Current <u>Estimate</u>	FY 2004 <u>Estimate</u>	FY 2005 <u>Estimate</u>
		Budget <u>Request</u>	<u>Appropriation</u>			
1. <u>Core Operational Support Activities</u>						
a. Compensation and Benefits Prog.	50,154	56,064	51,598	52,591	54,403	55,991
b. Support Svcs, Materials & Equip.	42,093	42,637	40,850	42,328	57,367	58,289
c. Information Technology	62,099	75,604	63,153	78,099	88,581	83,371
d. Contracts/Support Services	21,034	15,724	14,766	40,613	42,972	14,755
e. Pentagon Rent	10,021	11,570	11,570	11,570	28,089	61,600
f. Pentagon Renovation Project	29,471	25,200	25,200	25,200	46,581	30,597
g. Pentagon Renovation Furniture	840	6,700	6,700	6,700	630	1,050
h. Building Management Fund	3,361	2,954	2,954	2,954	3,026	3,258
i. GSA Rent	24,444	22,923	22,923	26,138	25,888	26,518
j. US Mission to NATO	2,724	3,126	2,995	3,083	3,081	3,066
k. OSD/WHS Training Program	2,663	3,580	3,430	3,653	3,696	3,700
l. Travel	<u>1,192</u>	<u>1,482</u>	<u>1,420</u>	<u>1,461</u>	<u>1,457</u>	<u>1,433</u>
Sub-Totals	250,096	267,564	247,559	294,390	355,771	343,628
2. <u>Defense Programs</u>						
a. Defense Travel System	65,695	53,839	51,583	58,734	38,426	26,443
b. Commissions and Panels	3,473	7,846	7,517	7,738	7,742	7,182
c. Federal Executive Boards	935	1,069	1,069	1,069	1,111	1,155
d. Public Key Infrastructure	3,567	2,503	2,398	2,468	2,450	1,346
e. Classified (DERF Transfer) Program	0	0	28,000	28,000	0	0
f. Drug Interdiction Program	<u>137</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Totals	73,807	65,257	90,567	98,009	49,729	36,126
O&M, Dw Totals	323,903	332,821	338,126	392,399	405,500	379,754
3. <u>Special Programs</u>						
a. X-Year Funds (Commission)	1,114	0	0	0	0	0
b. Defense Emergency Response Fund	<u>468,011</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Sub-Totals	469,125	0	0	0	0	0
Overall Totals	792,914	332,821	338,126	392,399	405,500	379,754

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II. Financial Summary (Dollars in Thousands) (Con't):

B. Reconciliation Summary:	Change	Change	Change
	<u>FY 2003/FY 2003</u>	<u>FY 2003/FY 2004</u>	<u>FY 2004/FY 2005</u>
Baseline Funding	332,821	392,399	405,500
Congressional Adjustments (Distributed)	18,000	-	-
Congressional Adjustments (Undistributed)	-5,054	-	-
Congressional Adjustments (General Provisions)	7,333	-	-
Congressional Earmarks (Billpayer)	-308		
Subtotal Appropriated Amount	338,126	-	-
Price Change	-3,377	-335	26,663
Functional Transfers	1,409	126	-
Program Changes	51,842	13,310	-52,409
Current Estimate	392,399	405,500	379,754

C. Reconciliation of Increases and Decreases:

	<u>BA 4</u>
FY 2003 President's Budget	332,821
1. Congressional Adjustments (Distributed)	
Program Growth	18,000
Total Congressional Adjustments (Distributed)	18,000
2. Congressional Adjustments (Undistributed)	
FECA Surcharge Reduction	-67
Unobligated balances	-588
Civil Service Retirement System (CSRS) and Federal Employee Health Benefit (FEHB) Accruals	-4,399
Total Congressional Adjustments (Undistributed)	-5,054

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C. Reconciliation of Increases and Decreases (continued):

3. Congressional Adjustments (General Provisions)		
Section 8100--Prorate Management Efficiency	-4,658	
Section 8103--Government Purchase Card	-225	
Section 8109--Prorate Reduce Cost Growth of Information Technology	-456	
Section 8133--Reduce Growth of Travel Costs	-54	
Section 8135--Prorate - Revised Economic Assumptions	-1,940	
 Total Congressional Adjustments (General Provisions)		 -7,333
4. Congressional Adjustments (Earmarks)		
Section 8044--Prorate Indian Lands Environmental Impact	-308	
 Total Congressional Adjustments (Earmarks)		 -308
 FY 2003 Appropriated Amount		 338,126
5. Price Change		-3,377
6. Functional Transfers-In		
(1) Operating Support costs for Training, Information Technology and Central Services for the new OSD Office of Force Transformation (from OSD)	993	
(2) Four FTE are transferred from OSD to provide civilian Human Resource Services for the civilian personnel assigned to the Counterintelligence Field Activity (CIFA)	416	
(3) Prior year DERF	6,300	
 Total Transfers-In		 7,709

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C. Reconciliation of Increases and Decreases (continued):

7. Program Increase	
(1) The Defense Travel System increased to support program slippage, through contract realignment and additional equipment purchases	6,639
(2) Information Technology increased for the support and maintenance of the OSD Primary Alternate Site for Continuity of Operations (COOP)	5,400
(3) The Information Technology Program increased to support expansion, maintenance and operation of the classified network; additional intrusion detection requirements; increased monitoring and maintenance of firewalls; support costs for a new system to support the counterintelligence, force protection and counter-terrorism missions of the Department	7,700
(4) The Information Technology (IT) Program increased for the development and maintenance of individual Component COOP IT at alternate Pentagon sites	6,400
(5) Contracts and Other Services increased to support the additional costs included in the Department's Government-wide pro-rata share for the E.Gov costs paid, which are payable to the GSA	22,710
(6) GSA Rent payments increased to support the escalating operating and security costs associated with the leased properties within the National Capital Region	2,826
Total Program Increase	51,675

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C. Reconciliation of Increases and Decreases (continued):

8. Program Decrease		
(1) The Information Technology Program is reduced based on savings resulting from initiatives to downsize and combine technical service support	-697	
(2) This program decrease funds a portion of emergent fact-of-life requirements for: Government-wide E-Gov initiatives, growing adjudication backlog of security clearances, the Defense Travel System, the DoD Rewards Program and other emergent requirements	-1,037	
Total Program Decrease		-1,734
Revised FY 2003 Current Estimate		392,399
8. Functional Transfers-In		
Information Technology Support for the OSD Office of Net Assessment is transferred from the National Defense University (O&M, Army funded)		126
9. Functional Transfers-Out: None		
10. Price Change		-335
11. Program Increase		
(1) Compensation and Benefits increases to support the additional workday in FY 2004.	215	
(2) Compensation and Benefits increases to support realigned Special Employment programs, and high-grade/in-grade adjustments associated with the staffs of the Commissions, Boards, Task Forces and Panels	596	

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C. Reconciliation of Increases and Decreases (continued):

11. Program Increase - (continued)		
(3) Information Technology is increased to fund the costs associated with the implementation of initiatives to comply with the DoD Chief Information Officer's Net-Centric operations strategy to conform to the DoD network architecture		500
(4) Information Technology is increased for network security enhancements, to provide an increased secure information management environment to protect the Defense Information Infrastructure. This includes defending against emergence of cyber warfare that has significantly increased information assurance requirements		2,505
(5) Information Technology is increased to support the implementation of OSD-wide common business applications. This includes collaborative tools and other coordination and decision-making capabilities that emerge from common OSD business process improvements. The applications will assure OSD-wide information technology architecture compliance and system interoperability		2,445
(6) Information Technology is increased for requirements of the Washington Headquarters Services consolidated network for maintenance routers, switches, firewalls, servers and network software maintenance		153
(7) Information Technology is increased for network and server maintenance costs for equipment required due to the expiration of warranties		47
(8) Information Technology is increased for projects that support the Secretary of Defense's organizational realignment and business process improvement initiatives		3,500

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C. Reconciliation of Increases and Decreases (continued):

11. Program Increase - (continued)
- Projects include:
- a. Standard OSD Enterprise Architecture Migration Plan
 - b. OSD Principal Staff Assistant (PSA) Architectures
 - c. Information Technology Performance Metrics
 - d. OSD Personnel Tracking System (PTS)
- (9) The Support Services, Materials and Equipment Program is increased to update White House communications equipment to satisfy Presidential requirements through the use of updated technology 982
- (10) The Support Services, Materials and Equipment Program is increased to finance the support requirements associated with the growth of the Pentagon Force Protection Agency (PFPA), which is adding 553 civilian FTE and 39 military End Strength (positions) to meet the new security requirements and standards of the Pentagon Building and Reservation 418
- (11) The Support Services, Materials and Equipment Program is increased to support the restoration of existing Pentagon space (vacated by the Pentagon Athletic Club (PAC) to house the newly formed Pentagon Force Protection Agency (PFPA) Staff 1,700
- (12) The Support Services, Materials and Equipment Program is increased to support building costs associated with the Air Force Memorial Foundation Site 6,227

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C. Reconciliation of Increases and Decreases (continued):

11. Program Increase - (continued)

- (13) The Support Services, Materials and Equipment Program is increased to meet above standard protective services for the Office of the Secretary of Defense, as provided by the Pentagon Force Protection Agency (PFPA). This funding was realigned to the Pentagon Reservation Maintenance Revolving Fund (PRMRF) in FY 2003, but remains in the PRMRF customer programs in FY 2004 (and thereafter) for these requirements 7,672

- (14) The Pentagon Renovation Project is increased to support the annual plan, which varies significantly from year-to-year, and is charged on a pro-rata basis to all the tenants of the Pentagon Building 24,821

- (15) The Pentagon Reservation Maintenance Revolving Fund (PRMRF) Rent is increased to include the funding of the newly formed Pentagon Force Protection Agency 18,149

Total Program Increase 69,930

12. Program Decrease

- (1) The Pentagon Renovation Furniture Program is decreased to support the annual plan, which varies significantly from year-to-year, and is charged on a pro-rata basis to all the tenants of the Pentagon Building -5,089

- (2) Payments to the Defense Security Service are decreased, based on the workload reduction which is the result of the elimination of a large portion of the previously backlogged Civilian Personnel Periodic Reinvestigations -1,209

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C. Reconciliation of Increases and Decreases (continued):

12. Program Decrease - (continued)		
(3) The Defense Travel System is decreased as a result of the prime contract restructure, and the realignment of requirements from the Operation and Maintenance, Defense-wide appropriation, to the Research, Development Test and Evaluation, Defense-wide appropriation	-21,189	
(4) Saving generated due to the completion of a classified (DERF Transfer) Program (FY 2003 Congressional add)	-28,420	
(5) The GSA Rent Program is decreased based on a projected reduction of requirements for the DoD tenants, due the completion of portions of the Pentagon Renovation Project	-713	
Total Program Decrease		-56,620
FY 2004 Budget Request		405,500
13. Price Change		26,663
14. Program Changes		-52,409
FY 2005 Budget Request		379,754

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III. Performance Criteria and Evaluation Summary:

Washington Headquarters Services (WHS) is charged with providing administrative and operational support services to the Office of the Secretary of Defense (OSD) and certain Defense Agencies and joint activities which do not have their own administrative support capability. WHS objectives are to provide accurate and responsive support in correspondence control, mail services, records management, directives management, office services support, civilian and military personnel services, security, financial management, and other miscellaneous activities.

In addition to these traditional services, WHS administers data systems in support of the OSD decision and policy making processes, and provides automated data processing services. It also manages Department of Defense occupied General Services Administration controlled space in common support facilities throughout the National Capital Region, and manages the Federal Voting Assistance Program.

The following identifies some of the more significant indicators of WHS workload:

a. Core Operational Support Activities:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
(1) <u>Program, Budget and Accounting</u>				
Program/Budget Coverage:				
Appropriation/Funds	15	15	15	15
Installation Accounting:				
Allotments	17	17	17	17
Direct Program (\$000)	1,121,000	1,120,000	1,120,000	1,120,000
Reimbursable Program (\$000)	529,000	537,000	545,000	545,000
Agency Accounting Reports:	1,730	1,730	1,730	1,730
(2) <u>Facilities and Operational Services</u>				
Space Managed (000 square feet)				
Pentagon Reservation	4,864	4,864	4,864	4,864
Other	12,136	12,136	12,136	12,136
Purchase Card				
Number of Transactions	11,944	12,156	12,363	12,573

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III. Performance Criteria and Evaluation Summary: (continued)

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Value (\$000)	11,248	11,560	11,757	11,956
Number of Card holders	174	178	181	184
Graphic Services				
Number of projects	3,381	3,535	3,111	3,167
Communications				
Number of lines	13,492	13,731	13,964	14,216
Number of Instruments	9,154	9,310	9,477	9,477
Personnel Serviced	4,494	4,577	4,655	4,739
IT Seats (Networked PCs, Stand Alone PCs, and Laptops)	10,468	10,558	10,558	10,558
OSD & WHS Organizational Components	18	18	18	18
 (4) <u>Personnel and Personnel Security</u>				
NCR Civilian Personnel receiving				
Security services	55,193	55,193	55,193	55,193
Personnel serviced by Regional Center	11,104	10,454	9,794	9,794
 (5) <u>Individual Privacy</u>				
Components supported	18	18	18	18
Privacy Act System of Records supported	1,153	1,153	1,153	1,153
 (6) <u>Correspondence and Communications</u>				
Congressional Correspondence	6,400	6,500	6,300	6,500
Classified correspondence processed	50,000	50,000	45,000	50,000
Unclassified correspondence processed	122,000	125,000	110,000	120,000
Cable/Message processing	360,000	360,000	360,000	360,000
Mail/Distribution for 43 activities	1,400,000	1,300,000	1,200,000	1,200,000
 (7) <u>Federal Voting Assistance</u>				
Number of potential customers (millions)	200	200	200	200
State Dept. overseas sites supported	264	264	264	264

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III. Performance Criteria and Evaluation Summary (Con't):

b. Defense-wide Programs:

The Defense Travel System: Due to the complex nature of deploying major systems to DoD installations, fielding of DTS will occur in several phases. Phase I will deploy DTS to pilot sites covering four Services and some Defense Agencies that will support over 75,000 personnel generating an estimated 240,000 travel claims per year. Currently, DTS is operational at nineteen pilot sites.

<u>Event</u>	<u>Date</u>
Phase I Fielding of Pilot Sites	FY2003
Phase II Fielding-High Volume Primary Sites (approximately 250 sites)	FY2003-FY2006
Phase III Fielding-Smaller, low volume sites (approximately 10,000 Sites)	FY2003-FY2006

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IV. Personnel Summary:

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY2005</u>	<u>Change FY2003/FY2004</u>	<u>Change FY2004/FY2005</u>
<u>Active Military End Strength (E/S) (Total)</u>						
Officer	51	68	68	68	-	-
Enlisted	88	127	127	127	-	-
<u>Civilian End Strength (Total)</u>						
U.S. Direct Hire	594	633	623	623	-	-
<u>Active Military Average Strength (A/S) (Total)</u>						
Officer	51	68	68	68	-	-
Enlisted	88	127	127	127	-	-
<u>Civilian FTEs (Total)</u>						
U.S. Direct Hire	590	629	619	619	-	-

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V. OP-32 Line Items as Applicable (Dollars in Thousands):

	FY 2002 <u>Actuals</u>	Change from <u>FY2002 to FY2003</u>		FY 2003 <u>Estimate</u>	Change from <u>FY2003 to FY2004</u>		FY 2004 <u>Estimate</u>	Change from <u>FY2004 to FY2005</u>		FY 2005 <u>Estimate</u>
		Price <u>Growth</u>	Program <u>Growth</u>		Price <u>Growth</u>	Program <u>Growth</u>		Price <u>Growth</u>	Program <u>Growth</u>	
Exec, Gen & Spec Schedules	51,647	1801	202	53,650	1,283	811	55,744	1,717	112	57,573
Vol Sep Incentive Pay	50	0	250	300	0	0	300	0	0	300
Disability Comp	233	8	0	241	5	0	246	6	0	252
Travel of Persons	2,137	24	433	2,594	40	27	2,661	43	-314	2,390
Pentagon Reservation Maint Revolving Fund	40,620	-2,619	5,838	43,839	-6,420	38,258	75,667	20,470	-2,517	96,630
Cost of Reimbursable Purchases	3,389	97	1,026	4,512	282	-3,291	1,503	65	0	1,568
Purchases from Building Management Fund	3,361	38	-445	2,954	45	27	3,026	46	186	3,258
Commercial Trans	151	2	1	154	2	0	156	3	0	159
Rental Payments to GSA	24,744	531	1,213	26,488	463	-713	26,238	406	224	26,868
Purchased Utilities	547	6	2	555	8	0	563	9	0	572
Purchased Communications	10,113	116	-17	10,212	158	-59	10,311	170	-70	10,411
Postal Services (USPS)	792	0	0	792	0	0	792	0	0	792
Supplies/Materials	18,435	212	-1,356	17,291	268	369	17,928	295	-820	17,403
Printing & Reproduction	2,313	26	-26	2,313	35	-12	2,336	38	-14	2,360
Equipment Maint by Contract	3,295	37	225	3,557	55	9	3,621	59	6	3,686
Facility Maint by Contract	1,366	15	47	1,428	22	3	1,453	23	5	1,481
Equipment Purchases	65,911	757	-6,499	60,169	920	-17,448	43,641	720	-14,584	29,777
Management/Professional Support Services	10,067	115	36	10,218	158	0	10,376	171	-20	10,527
Other Intra-Government Purchases	28,371	326	30,046	58,743	910	-614	59,039	933	-22,395	37,577
Other Contracts	47,813	549	14,107	62,469	968	-3,554	59,883	988	-3,319	57,552
Other Costs	9,662	111	20,147	29,920	463	0	30,383	501	-8,883	22,001
Total	325,017	2,152	65,230	392,399	-335	13,436	405,500	26,663	-52,409	379,754